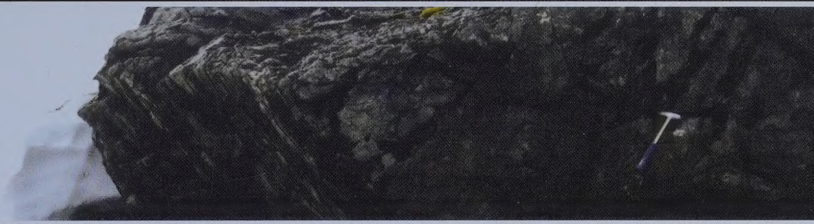
Base Metal Exploration

cascadia

international resources inc.



2003 Annual Report

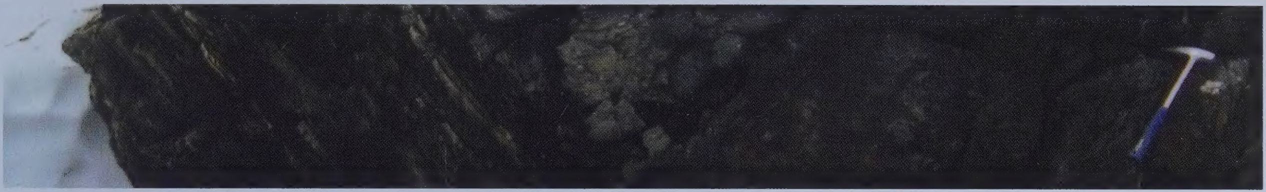


TABLE OF CONTENTS

Corporate Profile 1

President's Message 2

Properties 3

Management Discussion & Analysis 14

Auditors' Report 16

Financial Statements 17

Notes to Financial Statements 20

Corporate Information 28

Corporate Profile

Cascadia International Resources Inc. was incorporated under the laws of the Province of British Columbia as Craven Resources Inc. on July 18, 1983 and changed its name to Cascadia International Resources Inc. on April 7, 1997. The Company is involved in the acquisition and exploration of mineral properties in Canada.

The Company is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the Symbol CJ.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual General Meeting will be held at the Pan Pacific Hotel, 300 – 999 Canada Place, Vancouver, British Columbia, January 26, 2004 at 3:00 p.m. (Mountain Standard Time)

To the Shareholders

Cascadia International Resources Inc. has set the stage for a very exciting upcoming year in base metal exploration. Early in calendar year 2003, Corporate direction was revitalized with the opportunity to acquire a significant working interest in one of Canada's most exciting base metal plays - the Raglan Nickel-Copper-PGM-Cobalt assemblage situated in Northern Quebec.

With this new focus, the Company quickly completed four significant tasks:

1) Establish an effective share structure by reducing the number of outstanding shares by a ratio of 2 to 1, resulting in a consolidated opening balance of 2,639,547 common shares;
2) Successfully entering into an Option Agreement with Novawest Resources Inc. to earn a 50% undivided interest in 161,500 acres of Novawest's Raglan assemblage;
3) Appointing a new President of the Company, adding new Directors, Officers and administrative team; and,
4) Aggressively closing three equity financings for gross proceeds of $3,310,000.

On June 27th Mr. Norman McKinnon resigned from the Board and we wish to thank him for his work and dedication.

Cascadia and Novawest personnel and an exploration team complete with ground geophysics, geologists, prospectors, and drill equipment arrived in the Raglan area in early July. By July 31, sampling, geophysical surveying and drill site preparation were well underway. The fully funded $3.55 million 2003 exploration program, included the construction of a camp, AeroTem airborne geophysics survey program, ground geophysics over both known and new drill targets, prospecting, sampling and diamond drilling of 13 holes which yielded very encouraging results.

Under the terms of the agreement, Cascadia together with NovaWest have committed $12.4 million on the Raglan prospect, with staged expenditures of $3.6 million in 2003, $4.3 million in 2004 and $4.5 million in 2005.

We are excited by this year's drill results and airborne survey that promises many more exploration targets. This year's program has set the stage for next year's exploration program. The company expects to have 50 drill targets picked by the end of January 2004, with logistics arranged to fly 1100 bbls of fuel in by April, an extensive ground geophysics (snowmobile) program completed prior to the end of May and a second camp built at Kentry Lake. Since the fiscal year ended July 31, 2003, the Company has optioned two Nickel-Copper-PGM properties in Northern Ontario, one of which has already 945,000 tonnes of proven ore, which we plan to diamond drill in early 2004.

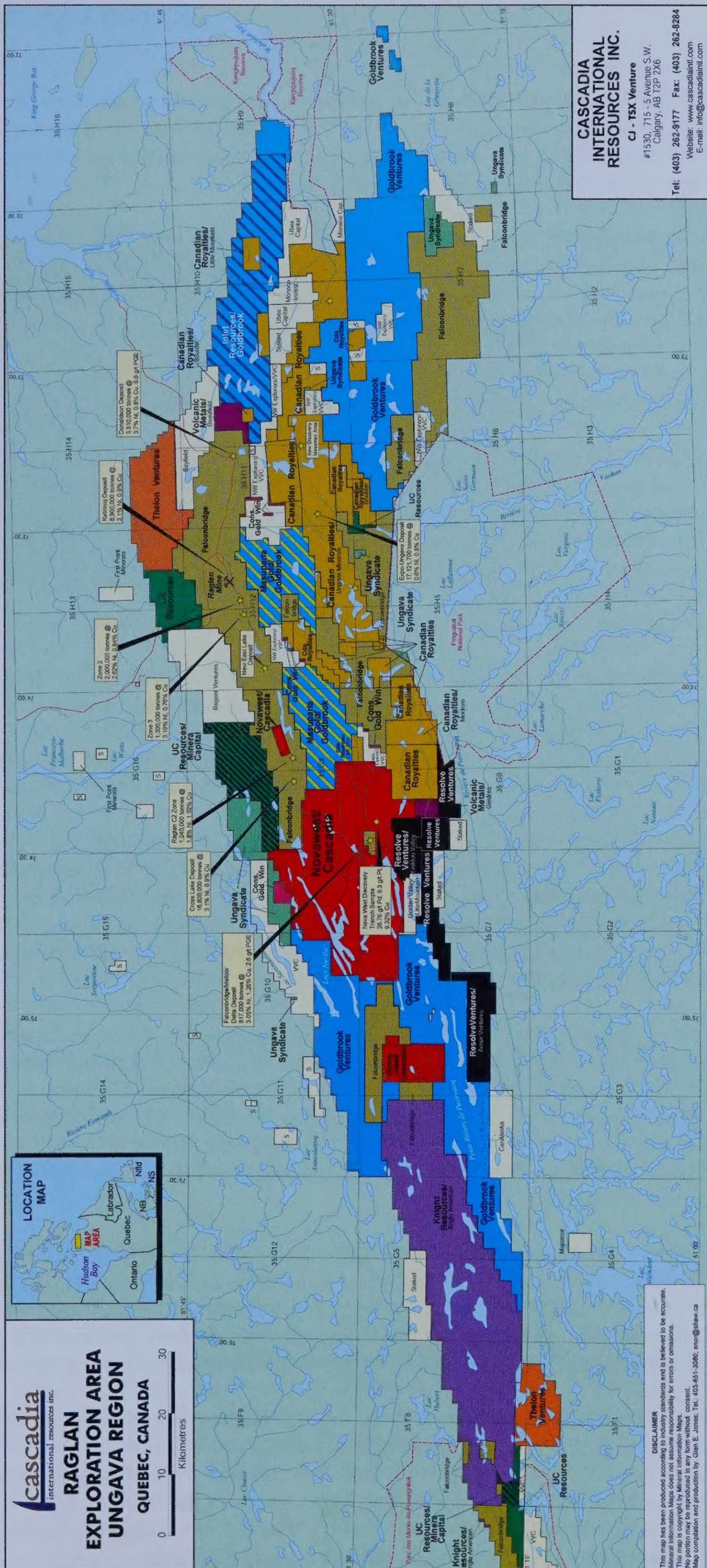
When Cascadia optioned the Raglan Property, nickel was $2.00/lb. At this point, nickel is $6.50/lb and rising. A world wide shortage of nickel is developing, spurred by the rapid development in China and India. We believe that the combination of our quality exploration prospects, the world demand for base metals and our strong financial position will give our shareholders an excellent return on their investment.

On Behalf of the Board of Directors,

James G. Evaskevich
President & Chief Executive Officer

"CASCADIA has set the stage for a very exciting upcoming year in base metal exploration."

Raglan Operations



History

The Raglan is hosted along the Cape Smith Belt in the northern sector of the Province of Quebec. The Area and the State of Nevada were named by the Fraser Institute as the most attractive places to explore for minerals in the world. These findings were based on mineral potential, taxation, regulatory consistencies and land use policies.

The Cape Smith/Raglan Belts measuring approximately 340 km long, 90 km wide at its centre and 50 km wide at each end. The Belts are situated within the far-reaching Proterozoic Circum Superior Belt which extends north from southern Manitoba, north through the Thompson Nickel Belt, then east through the Fox River Nickel Belt, along the southern tip of James and Hudson Bays (taking in the area of the recent explosion in diamond exploration, hosting the Victor Pipe), proceeding up the east coast of Hudson Bay, then east through the Cape Smith/Raglan Ni-Cu-PGM-Co Belts and then dipping south-southeast through the Labrador Trough.

The Raglan Belt, approximately 1,500 kms north of Rouyn, Quebec falls within the Churchill Geological Province, one of seven Geological Provinces that comprise the vast Canadian Shield. The Canadian Shield is one of the most mineralized structures in the world. The Precambrian rocks of the Shield include some of the world's oldest at nearly 4 billion years of age. The youngest rocks contain rare fossils of the first primitive life forms on earth. The Churchill Province extends over a very large area both east and west of Hudson Bay. Within it, are ancient belts of altered sediments, volcanic rocks and other greatly altered rocks that assemble granites.

The Churchill Province is very rich in resources. In the western part there are copper, lead, zinc, uranium, nickel, cobalt and tungsten deposits that have formed important mining camps such as Flin Flon, Lynn Lake and Thompson. In Northern Quebec there are nickel/copper/PGM deposits at Raglan, and iron deposits east of Hudson Bay. On the far eastern boundary with the Nain Geological Province there is the recent major nickel discovery at Voisey's Bay in Labrador.

The Raglan Belt was discovered back in the 1930's when Murray Watts, a prospector, reported sulphide showings in the Cape Smith-Wakeham Bay area of northern Quebec. The orebodies at Raglan have been explored intermittently since the Watts discoveries in the 1930s. The ultramafics at Raglan, hosts for known magmatic Ni-Cu-PGM-Co ores, appear to define three stratigraphic horizons which young upwards from the more basal Expo Ungava - Delta horizon to the centre Raglan horizon and the more northerly Ekwan horizon.

The Raglan ores are favorably, polymetallic, and expected to derive credits not only from Ni-Cu-Pt-Pd and Co but also from Au-Ag-Os-Ir-Ru and Rh as well. As indicated by Ministere Resources Naturale du Quebec (T. Clark et al, 1996) the grade of the Platinum Elements Os-Ir-Ru-Rh-Pt-Pd of the Raglan ores (represented by the Katinniq deposit; 10.2 million tons @ 2.4% Ni, 0.7% Cu) exceeded the Sudbury ores (represented by the Little Stobie #1 deposit) by a factor of 5 to 25 times. The precious metal credits may in fact double the in-ground dollar value of a massive Ni-Cu-Co sulphide ore body.

Any search for ore bodies at Raglan may be assisted by the apparent and possible laterally dispersed, rims or halos of disseminated and vein-controlled sulphides that are suspected to surround sulphide ore bodies in the camp. These sulphides are predominantly chalcopyrite (high Cu-Ni ratios) with significant concentrations of Pt-Pd-Au-Ag. These halos are not unique to just the Raglan ore bodies and have been reported in other sulphide nickel-bearing structures.

Interestingly, many have drawn comparisons between the newer Raglan Nickel Belt and the older, renowned Thompson Nickel Belt to the southwest in northeastern Manitoba.
The lengths and widths of area covered by the two belts are very similar. The mineralization is very similar. But Inco and Falconbridge have explored the Thompson for far longer.
The ore bodies at Thompson are down to the 7000-foot level while the orebodies at Raglan have generally been drilled to only the 1000-foot level and are open at depth.

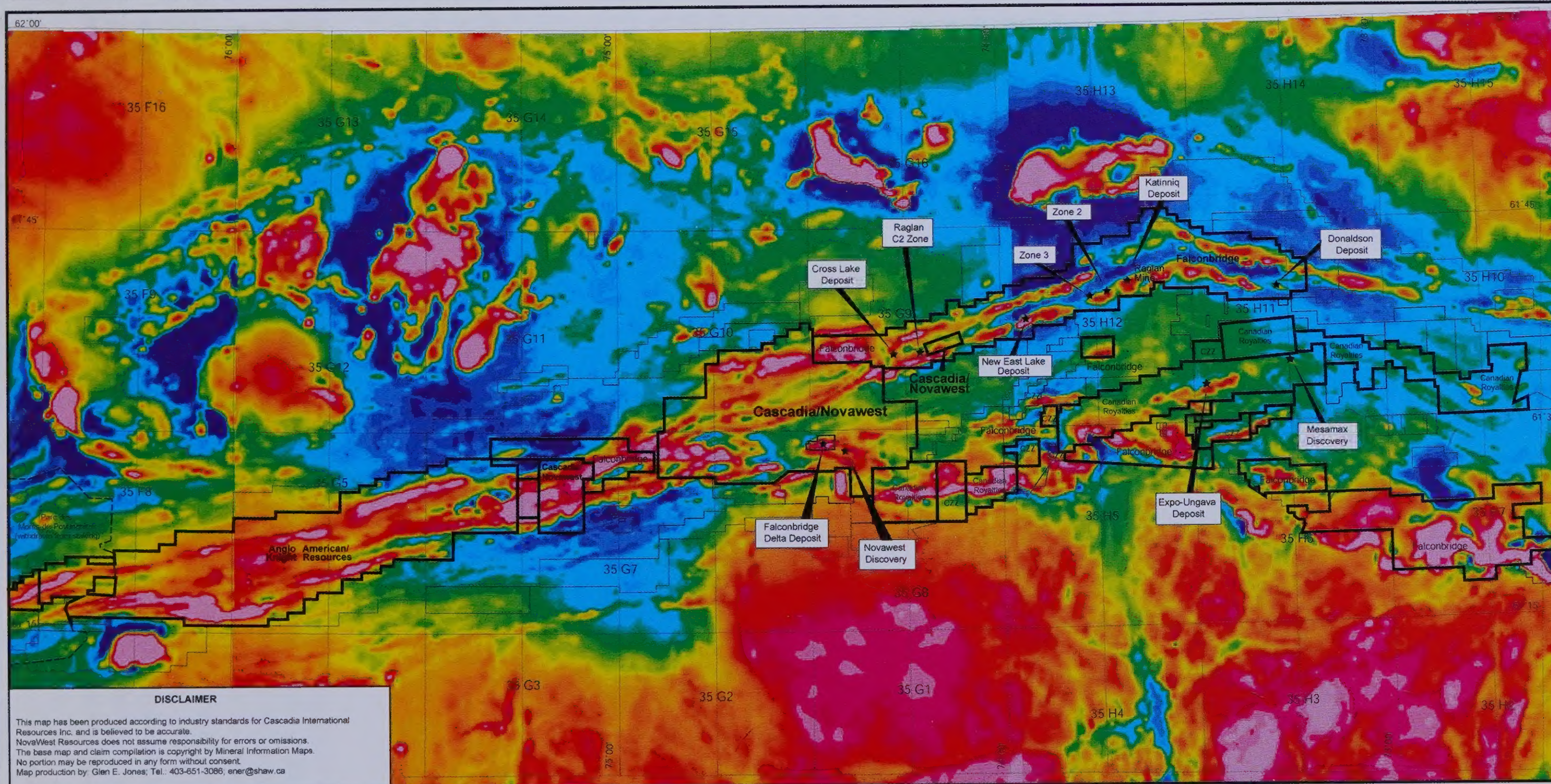
The extensive exploration at Thompson has identified some 32 mineralized orebodies totalling approximately 800 million tons of mineralization, while at the relatively younger Raglan there are 6 known deposits and some 20 small bodies totalling approximately 40-50 million tons of mineralization. A comparison of the Raglan to Thompson clearly indicates that only a fraction of the Ni-Cu-PGM-Co sulphide deposits and tonnage known at Thompson has been discovered to date at Raglan. Notably, though debatable, in the comparison to the Thompson Nickel Belt segment of the Proterozoic Circum Superior Belt is the suggestion that the Raglan segment has a significant shortfall of ores bodies and tonnage of mineralization which should translate into a large number of discoveries yet to be made at Raglan. The similar Thomson geology has also yielded the massive 150 million ton Thompson deposit, one of which size remains to be discovered at Raglan. Much of the mineralization at Raglan is near surface.

In the mid 1990s when the Voisey's Bay (VB) nickel deposit was discovered the media mistakenly made many claims ranking the VB mineralization over that at Raglan due to the higher Copper content and the Cobalt, which they stated, was not present at Raglan. As it turns out, we are now aware of the real numbers and it is apparent the ores at Raglan are considerably more valuable than those at VB. In addition, we now know that Raglan does indeed contain notable quantities of cobalt as are at VB, and also, that Raglan contains a much more valuable component of very, very high grades of Platinum, Palladium, Osmium, Iridium, Ruthenium and Rhodium. Raglan has some of the richest PGM values in the world. Perhaps the most significant difference between the VB discovery and the mineralization at the Raglan is that the VB mineralization is primarily hosted in a single deposit, while the Raglan and Thompson belts host multiple world-class deposits.

The Raglan (and T.N.B.) Belt is completely deformed, Proterozoic in age and comprised of a bimodal assemblage of sediments and volcanics. Sediments include sulphide-rich, low-energy types. The volcanics in the project area are comprised of the stratigraphically lower, tholeiitic Povungnituk Group and the overlying, komatiitic Chukotat Group. Mafic to ultramafic bodies hosting Ni-Cu-PGM rich sulphide deposits occur in both groups. These bodies are sills rather than flows.

The sulphides targeted at Raglan are polymetallic and contain economic concentrations of the 11 elements mentioned earlier, Ni-Cu-Pt-Pd-Os-Ir-Rh-Ru-Co-Au-Ag. The sulphide orebodies of interest are each comprised of two distinct ore types, with each characterized by a diagnostic mineralogy, grade and appearance. The massive ore for which the tonnage and grade figures at Raglan have been published represents the spatially innermost ore body. The second type of ore body, which is rarely mentioned, spatially surrounds the innermost ore body in a strike direction parallel to lithology; this outlying ore body is vein controlled and characteristically rich in Cu and PGMs. Due to its greater aerial extent Cu can be considered a viable pathfinder element for the innermost, massive nickel-rich ore body the source restite. The economics of each type of ore can be significant.

"Raglan has some of the richest PGM values in the world."



Raglan Ni-Cu-PGM-Co Camp

Total Magnetic Map

Ungava Area, Quebec
NTS 35 F, G & H

0 10 20 30
Kilometres

LEGEND

- Cascadia/Novawest Properties; North, Main and South Raglan Trend
- Falconbridge Properties; North, Main and South Raglan Trend
- Anglo American/Knight Properties; South Raglan Trend
- Canadian Royalties Properties; Main Raglan Trend
- Other Peripheral Properties; Off 3 Raglan Trends

Cascadia International Resources Inc.

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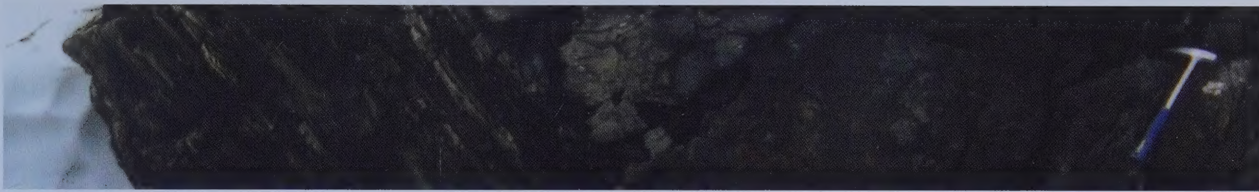
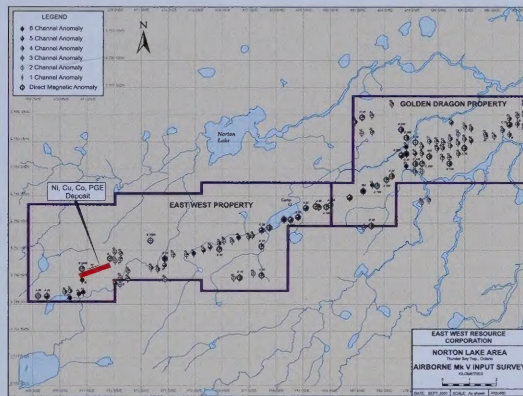


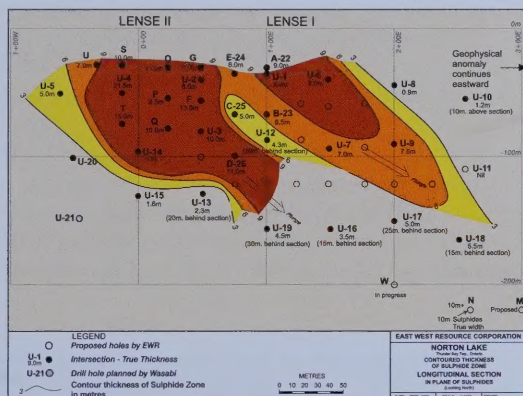
Norton Lake Operations



Norton Lake

A 250 m long massive sulphide Cu- Ni zone known as the Norton Lake Cu - Ni deposit, which was outlined in 1981, has been optioned by Cascadia International Resources Inc. The property is located 34 miles northeast of Fort Hope Ontario and is contained in an Archean greenstone belt north of the Nipigon Plate.

Cascadia has optioned a 164 and 152 claim unit group in the Norton Lake area, Thunder Bay from East West Resources Corp. and Canadian Golden Dragon Resources Ltd. Cascadia may earn a 51% interest in both claim groups by spending $1.5 million by November 1, 2010 and may earn a 60% interest by completing a feasibility study to the standards of the TSX and may obtain a 70% interest by financing the property to production. Options payments are to be made in stages, totalling $150,000 over 7 years.

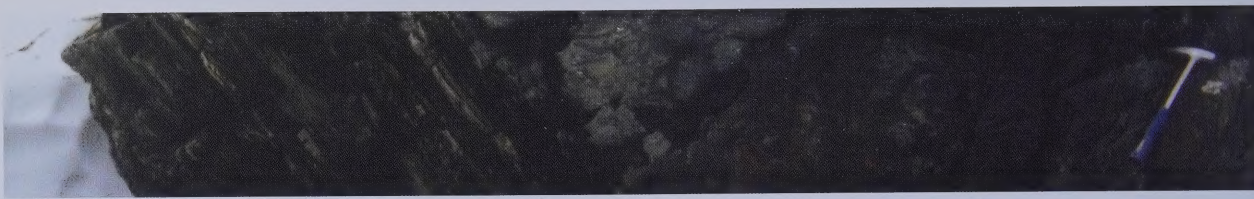


Longitudinal section

A $150,000 drill program is planned for January 2004 to March 2004 to test the down dip and plunge of the 944,500 tonne Ni-Cu-Co-PGE deposit, as well as other EM conductors that have been outlined by previous INPUT EM surveys and a helicopterborne EM survey flown by East West in February 2003. Magnetic surveys and geological mapping completed in September 2003 have located other favourable pyroxenite host rocks extending eastward from the Norton Deposit. Outcrops and old drill holes have also located pyroxenite near several EM conductors on the eastern part of the property near a large fold nose.

Previous work on Norton did not include systematic sampling for Cobalt (Co), or PGE (Platinum Group Metals (Pt - Pd). The structural setting has not been pursued in that a shallow plunge to the sulphide zone is evident and structure appears to play a role in the geometry of the sulphides. Future drilling could extend the deposit down plunge and along strike to the east where a series of EM conductors that mark other conductive sulphide zones occur.

The Norton deposit was discovered by drilling an EM conductor and has been delineated by 20 holes drilled at 50 metre intervals on 5 cross sections giving the known deposit a 250 m strike length and true thickness ranging from 2.8 m (9.3 ft.) to 10.6 m (35 ft.) with an average of 7.1 m (23.43 feet). The 944,500 tonne reserve was calculated by Hill - Delaporte - Goettler Ltd. in 1981 and a table presenting their findings is presented below. This information is taken from the Ontario Ministry of Northern Development and Mines (MNDM) files and an OGS open file publication on the area.



Weighted Average Assays of Intercepts for Norton

Section	DDH	True Width	% Cu	% Ni	Dip Length	# of Samples in Interval
0+00	U-4	10.6	0.63	0.545	60	23
	U-14	10.6	0.44	0.72	40	12
	U-15	3.5	0.32	0.76	20	2
		9.4	0.54	0.62	120	
U+50E	U-2	10.4	0.65	0.74	59	8
	U-3	10.4	0.4	0.93	48	19
	U-13	3.2	0.534	0.586	43	4
		8.2	0.51	0.8	150	
1+00E	U-1	8.6	0.823	0.924	48	4
	U-12	4	0.584	0.87	75	4
	U-19	5	0.64	1.18	57	6
		5.7	0.71	0.97	180	
1+50E	U-6	8.2	0.36	0.69	68	10
	U-7	5.8	0.59	0.57	62	7
	U-16	2.8	0.82	0.84	40	1
		6.05	0.49	0.66	170	
2+00E	U-8	1	0.48	0.56	25	1
	U-9	7.8	0.63	0.49	50	11
	U-17	5.2	0.52	0.73	50	7
		5.4	0.58	0.585	125	
2+50E	U-18	5.5	0.5	0.25	45	5
Total Average:			**7.1m**	**0.56**	**0.72**	

$264,460m^3$ @ $0.28\ m^3$/tonne = 944,500 tonnes

Due diligence by Golden Dragon / East West Resources was carried out to confirm the previous assays and to determine the presence of any PGE or Cobalt (Co) values. The core was resampled using the remaining split half cores from the previous split intervals and a total of 20 confirmation assays have now been completed. These initial 20 samples were taken from as many holes as possible to represent both average, low grade and high grade Cu - Ni grade mineralization to determine the distribution of PGE or Cobalt values. These results are presented below. Reassaying was done by ALS Chemex in Vancouver using ICP (induced coupled plasma) analysis for the base metals (Ni - Cu - Co), and fire assay extraction with ICP finish (FA - ICP) for the PGE (Pt - Pd) and gold (Au) values. The previous 1980 - 1981 assaying for Ni-Cu was

completed using atomic absorption (AA) finish on pulverized cores dissolved in an HCl-H2NO4 acid digestion. These AA results are very accurate and are acceptable in that they fall within the same range as the ICP results. These AA methods are still used today, especially where high values occur such as cases like the Norton Lake deposit. An additional 40 samples taken during the resampling were submitted for assay and these results are now included in the Table of Confirmation assays. Higher PGE and Co values were obtained in the second batch of samples due to the fact that more drill holes were included from different parts of the zone.

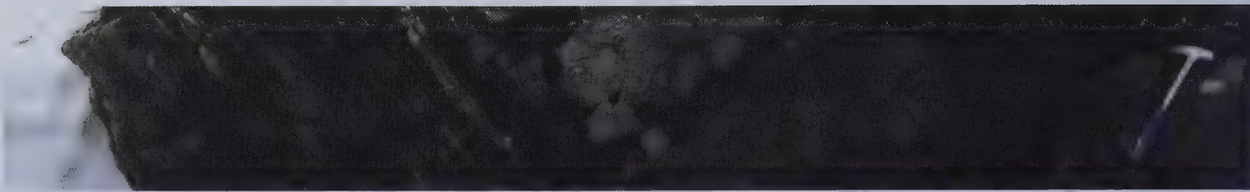
Cobalt (Co) values up to 2.4 lbs per tonne were obtained and this includes 25 samples with over 1.0 lb per tonne Co. This high value of 1.92% Ni compares with previous AA assays, where 1.8% Ni values were obtained. Nickel (Ni) values are as high as 1.92% Ni with 13 of the 60 samples containing greater than 1.0% Ni. PGE values up to 4.38 grams occur, however some of the highest values occur where the Cu:Ni ratio is high as opposed to a high Ni:Cu which is the more common metal ratio in the deposit. High PGE values correlate with average Cu-Ni values as well. Overall the Pd:Pt ratio is roughly 4:1, suggesting remobilization of PGE values (Pd) possibly related to metamorphism and shearing. Nine of the 60 samples gave over 1.0% Copper (Cu). In the first assaying reported by Wasabi Resources Ltd. in 1981, 24 sample splits from 11 of the 20 holes exceeded 1% Ni (assessment files MNDM).

Examination of the core revealed that the sulphide zone occurs along a contact of basalt (pillow lava) and a tuffaceous-sediment. The sulphides are located in an ultramafic rock, which is now metamorphosed and altered resulting in pyroxenite phases with actinolite-tremolite alteration minerals. The main sulphide minerals are pyrrhotite-pentlandite-chalcopyrite and minor pyrite. Metamorphic grade is lower amphibolite-facies. Minor garnet has been noted in chlorite alteration zones in the wall rocks. Further petrology and lithochemical analysis will be done to determine the origin of the ultramafic host unit.

Detailed EM surveys are planned to identify down plunge zones and other zones on strike. Drilling during the winter will be the most efficient time to test the zone at depth with a large drill because drills can be moved by winter road. Lighter drills could be used during the summer to test other airborne EM targets along strike. The objective will be to build up tonnage on this zone and any other zones along the structure.

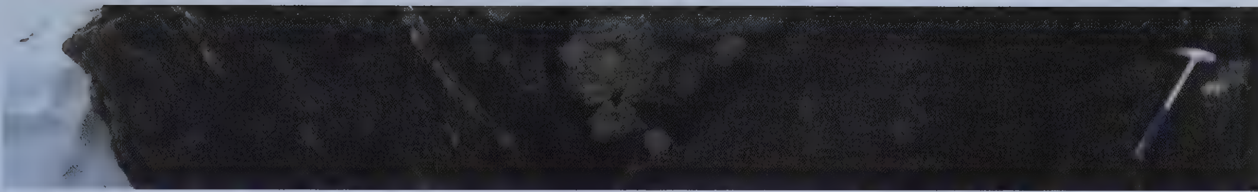
The Ontario Government through operation Treasure hunt is committed to develop the Fort Hope area and plan to fly a detailed airborne EM and magnetic survey over the area at 200 m line spacing. This will assist greatly in locating additional targets on the property. A new road to Fort Hope is being constructed to link to Nakina (near Geraldton) and HWY 17 as well as to Pickel Crow.

"Norton has 945,000 tonnes of proven ore"



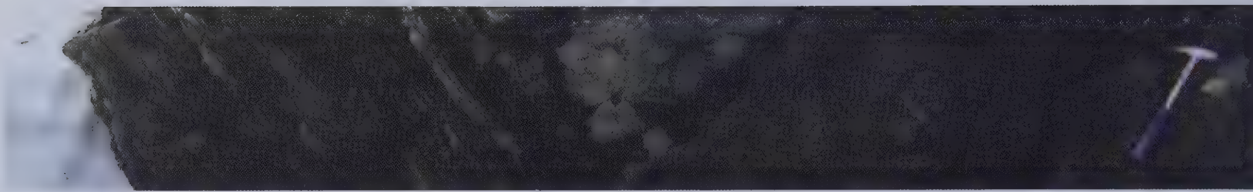
Norton Lake Operations

Drill Hole #	From (m)	To (m)	Length (m)	Pt (ppb)	Pd (ppb)	Pt+Pd (g)	Cu (%)	Ni (%)	Co (lb/tonne)
U2	39	40	1	152	800	0.95	0.731	0.666	**1.14**
	44	46	2	53	790	0.84	0.328	**1.370**	**1.60**
	46	47	1	363	870	**1.23**	0.300	0.846	**2.04**
	47	48.5	1.5	117	440	0.56	0.624	0.665	**1.04**
U3	58	60	2	86	630	0.72	**1.730**	0.920	**1.46**
	63	66	3	142	720	0.86	0.165	**1.740**	**1.89**
	68	71	3	55.5	800	0.86	0.377	**1.720**	**1.45**
	71	74	3	245	830	**1.08**	0.420	**1.620**	**2.40**
	74	77	3	37	165	0.20	0.102	0.197	0.20
	91.5	94.5	3	30.5	210	0.24	0.162	0.144	0.14
U4	43	47	4	169	500	0.67	0.716	0.689	0.75
	49.8	51.8	2	134	1,230	**1.36**	**1.120**	**1.360**	1.68
	51.8	54	2.2	120	820	0.94	0.550	**1.370**	0.91
	61	66	5	119.5	690	0.81	0.222	0.614	0.51
	85	91	6	61	180	0.24	0.580	0.727	0.39
	91	98	7	121	3,100	3.22	**1.070**	0.801	1.00
U5	11	14	3	6	12	0.02	0.133	0.025	0.26
	44	47	3	163	690	0.85	0.931	0.729	0.97
	47	48.8	1.8	75	780	0.86	0.205	**1.400**	**1.11**
U6	45	47	2	91	320	0.41	0.517	0.429	**1.26**
	47	51	4	50	800	0.85	0.286	0.805	0.86
	51	54	3	32	740	0.77	0.940	0.713	**1.06**
	54	57	3	4.5	480	0.48	0.686	0.877	0.83
U7	79.6	83	3.4	74.5	540	0.61	0.496	0.647	0.75
	83	85.5	2.5	58	520	0.58	**1.370**	0.605	0.98
	85.5	87.5	2	40	400	0.44	0.228	0.372	0.44
	87.5	89.5	2	160	350	0.51	1.590	0.491	**1.56**
	90	93	3	2,870	320	**3.19**	0.758	0.461	**1.30**
U8	48	49	1	131.5	460	0.59	0.618	0.690	0.73

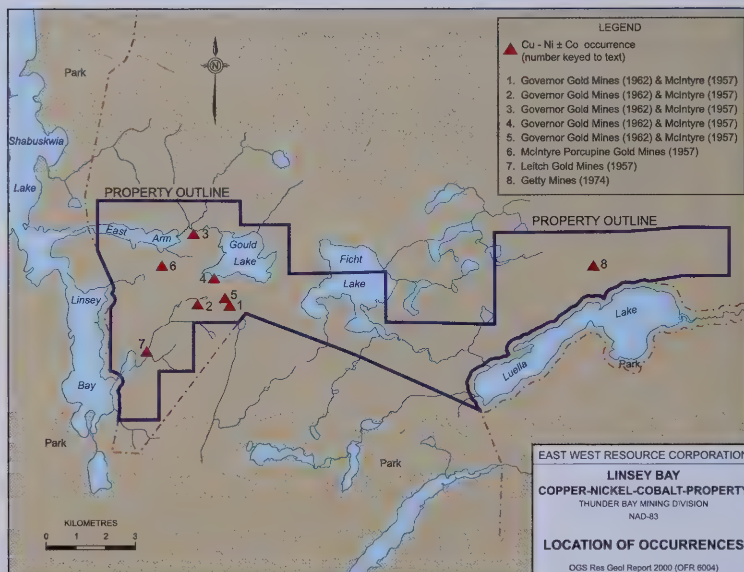


Norton Lake Operations

Drill Hole #	From (m)	To (m)	Length (m)	Pt (ppb)	Pd (ppb)	Pt+Pd (g)	Cu (%)	Ni (%)	Co (lb/tonne)
U9	73	75	2	60	370	0.43	0.311	0.593	0.78
	82	83.5	1.5	37.5	460	0.50	**1.070**	0.574	0.47
U10	54.4	55.6	1.2	109	570	0.68	0.331	1.370	**1.16**
U12	109	111	2	1,980	860	**2.84**	0.675	1.270	**1.77**
	111	113.5	2.5	3,690	690	**4.38**	**1.640**	0.927	**1.97**
U13	13	13.1	0.1	13	4	0.02	0.080	0.028	0.08
	147	154	7	183.5	600	0.78	0.363	0.776	**1.03**
U14	94	97	3	116	350	0.47	0.198	0.362	0.50
	97	100	3	896	510	**1.41**	0.839	0.550	0.55
	100	104	4	110	710	0.82	0.929	**1.210**	0.95
	104	107	3	442	690	**1.13**	0.311	0.808	**1.31**
	121	126	5	450	660	**1.11**	0.302	0.803	0.38
	126	130	4	228	390	0.62	0.319	0.604	0.79
U15	63.2	63.8	0.6	146	920	**1.07**	0.261	0.014	0.37
	136	138	2	148.5	610	0.76	0.253	**1.310**	0.86
U16	155.5	160.9	5.4	335	200	0.54	0.173	0.282	0.20
	160.9	164	3.1	86	240	0.33	0.369	0.209	0.26
	164	167	3	535	330	0.87	0.268	0.249	0.21
	167	169.5	2.5	131	770	0.90	**1.120**	0.913	**1.40**
U17	170	174	4	196	750	0.95	0.724	0.940	**1.06**
	174	177	3	147.5	600	0.75	0.554	0.792	**1.06**
U18	182	185.9	3.9	34.5	165	0.20	0.231	0.254	0.39
	185.9	188.7	2.8	398	185	0.58	**1.070**	0.248	0.40
U19	190	193.8	3.8	102.5	720	0.82	0.509	**1.090**	**1.27**
	193.8	197.8	4	46	1,070	**1.12**	0.445	**1.920**	**1.71**
	199.6	202.6	3	78	290	0.37	0.307	0.327	0.33
	202.6	204	1.4	61	570	0.63	0.316	0.572	0.66



Linsey Bay Operations



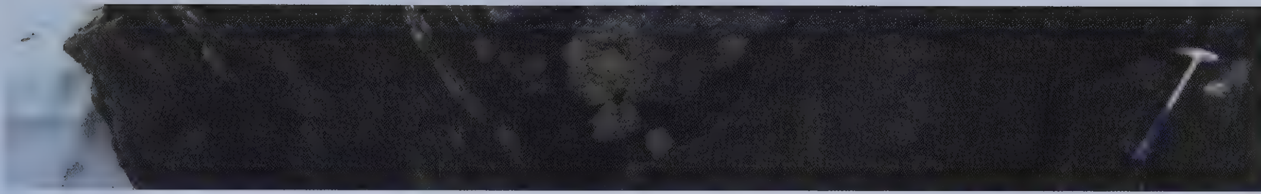
A 370 claim unit property which covers a series of gabbro-ultramafic bodies along a 13 mile (20 km) strike length has been acquired by Cascadia from East West Resources. On the west side of the property 7 nickel-copper-cobalt showings have been exposed by trenching as early as 1957, but none have been analyzed for PGE or Au. The property is located 64 miles north of Armstrong and half way to the company's Norton Ni-Cu-PGE-Au property.

Road construction has brought an all weather gravel road to 10 miles south east of the property. Early work by Leitch Gold Mines Ltd. yielded assays from grab samples ranging from 0.52-2.3% Cu and 0.38-0.62% Ni and 0.21 - 0.26% Co. from one of the showings near Lindsey Bay. McIntyre Porcupine Mines Ltd. explored one showing west of Ficht Lake in 1957 and noted chalcopyrite and pyrrhotite in metamorphosed gabbro. In 1962 Governor Gold Mines sampled pits along a 200 m length south of Ficht Lake which yielded 0.71% Cu-0.14% Ni, 0.78% Cu-0.02% Ni, and 1.87% Cu-0.18% Ni in grab samples. Other showings have been located in the area by the Ontario Ministry of Natural Resources.

On the east part of the property, 8 miles from the showings, Getty Mines Ltd. drilled EM conductors and a magnetic anomaly in 1974 that occur along a 250 m strike length near Luella Lake. These holes yielded 1.31% Ni-0.36% Cu, and 1.2% Ni - 0.26% Cu -0.09% Co over 3 m. A 6 m zone yielded 1.7% Cu-0.28% Ni with a 1m section running 5.6% Cu-0.68% Ni-0.08% Co. Another intersection 60 m (200 ft) east gave a 31.1 m (104 ft) width that contained a 1-2 m zone of 1.29% Ni-3.2% Cu, and 0.83% Ni-1.4%Cu with intervening lower grades. The host is a metamorphosed gabbro-pyroxenite (ultramafic-chlorite) rock that is now a hornblende-biotite-chlorite schist.

Under the terms of the option agreement, Cascadia has agreed to spend a minimum of $100,000 drilling this winter and may earn a 51% interest in the property by spending $1.0 million by November 1, 2010. A 60% interest may be earned by completing a feasibility study by November 1, 2011 in accordance with the standards of the TSX and may earn a 70% interest by financing the property to production. Options payments to East West totalling $95,000 over 7 years in staged payments are to be made as well as payments to the underlying prospector vendors.

All of the property has been flown with an airborne survey. Drilling of known conductors will be done in the winter. This program will compliment the Norton winter drill phase.



Larder Lake Operations

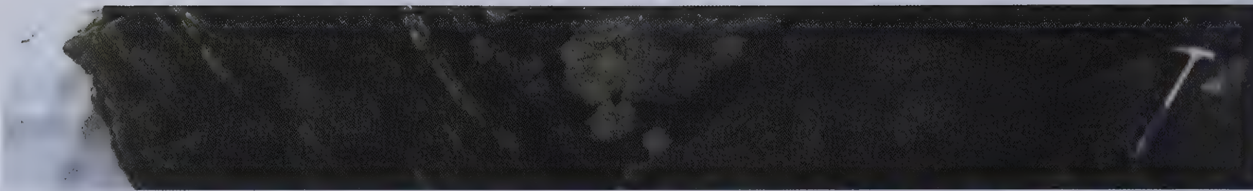
The Property

Pursuant to an agreement dated May 9, 2002, as amended and restated (the "Larder Lake Option Agreement") among Cascadia, Consolidated PPM Development Corp. and Agrimar Ventures Inc., PPM granted Cascadia the option to acquire up to a 50% interest in certain mineral claims described by assuming all obligations of PPM under an agreement dated March 26, 2001, as amended between PPM and Agrimar. Cascadia may exercise the option to acquire 50% interest in the Larder Lake Property be making exploration expenditures in the aggregate amount of $500,000 on the Larder Lake Property as to $50,000 on or before February 5, 2004, $150,000 on or before February 5, 2005 and $300,000 on or before February 5, 2006.

Upon Cascadia exercising the option, it will have a 50% interest in the Larder Lake Property and PPM will have the remaining 50% interest. Agrimar has the right, at any time, on or before the expiration of 180 days from the date Cascadia has exercised its option, to acquire a 50% interest in the Larder Lake Property (as to 25% from each of Cascadia and PPM) by paying each of Cascadia and PPM $165,000.

The Larder Lake Property is the subject of a report entitled "Phase 2, Proposed Diamond Drilling Program McGarry Township Property Larder Lake Mining Division Virginiatown. Ontario" by Locke B. Goldsmith, P.Eng. and P.Geo. dated May 15, 2002.

The Larder Lake Property is located in McGarry Township, Larder Lake Mining Division, Virginiatown, Ontario, Latitude 48° 8.3'N., Longitude 79° 34.5'W. The Larder Lake Property consists of sixteen patented mineral claims, of which fifteen claims have patented surface right, forming two blocks, which are separated by approximately 225 metres.



Management Discussion & Analysis

Financial Overview

The most significant financial change as at July 31, 2003 compared to July 31, 2002 was the $2.5 million increase in mineral assets, the offsetting $2.5 million increase in share capital and the $680,000 increase in cash. This also remains the most significant change when comparing the last quarter of 2003 versus the last quarter of 2002 due to the fact that the major transactions occurred in the fourth quarter of the fiscal year ended July 31, 2003. General and administrative costs increased by 67% to $215,000 compared to $81,000 the year before. This is directly attributable to the increase in corporate activity that resulted in working capital at year end of $572,000 compared to $14,000 the year before and capital expenditures of $2.5 million in 2003 compared to zero capital expenditures in 2002.

Liquidity and Solvency

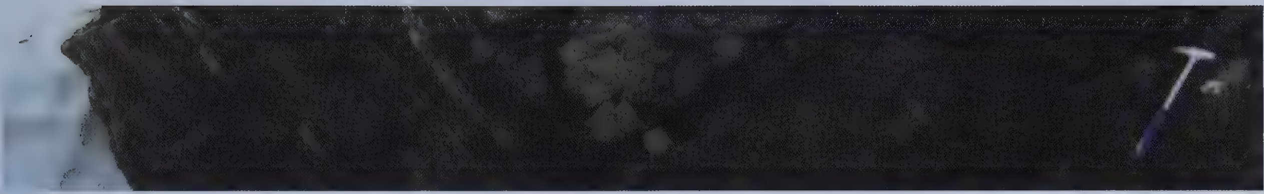
With a net working capital of $572,000 at July 31, 2003, Cascadia has adequate working capital to meet its short-term obligations. However, the Company will require further financing in order to meet its exploration commitments on all its mineral properties in subsequent years. Although there are no assurances additional financing will be available, the Company's historical capital needs have always been met by equity financing. The Company remains dependent on the management and its shareholders to ensure that sufficient funds are obtained to keep the company a going concern.

Subsequent Events

By September 19, 2003, the Company had closed a financing for gross proceeds of $2,000,000 pursuant to a short form offering document. The Company, through its agent, First Associates Investments Inc, offered 4,000,000 units at a price of $0.50 per unit. Each unit consisted of one common share, issued on a "flow through" basis under the Income Tax Act (Canada) and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one additional common share at a price of $0.60 per share until September 18, 2005.

In October 2003, the Company optioned a 290 claim unit property located 60 miles north of Armstrong, Ontario that covers 10 miles (16 km) of a greenstone belt containing numerous copper nickel-cobalt showings. The property is presently held 100% by East West Resource Corp. ("East West") subject to a 3% NSR to the original prospector vendors. Under the terms of the option agreement, the Company has agreed to spend a minimum of $100,000 drilling this winter and may earn a 51% interest in the property by spending $1.0 million by November 1, 2010. A 60% interest may be earned by completing a feasibility study by November 1, 2011 in accordance with the standards of the Toronto Stock Exchange, and may earn a 70% interest by financing the property to production. Option payments to East West totalling $95,000 over 7 years in staged payments are to be made as well as payments to the underlying prospector vendors.

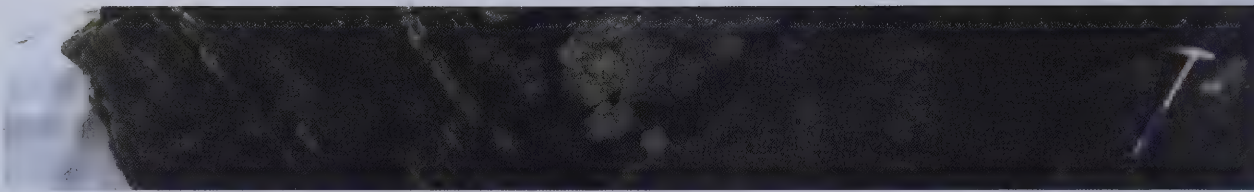
In October 2003 the Company also optioned a 164 and 152 claim unit group in the Norton Lake area, Thunder Bay from East West and Canadian Golden Dragon Resources Ltd. The Company may earn a 51% interest in both claim groups by spending $1.5 million by November 1, 2010 and may earn a 60% interest by completing a feasibility study to the standards of the TSX and may obtain a 70% interest by financing the property to production. Option payments are to be made in stages, totalling $150,000 over 7 years. A $150,000 drill program is planned for January 2004 to March 2004.



Management Discussion & Analysis

Cash on hand at October 31, 2003 amounted to $2,262,512. This increase is principally due to the issuance of 4,000,000 shares at $0.50, and the exercise of warrants. During the first quarter, the Company had interest income of $2,109 and a net loss of $105,000.compared to the loss of $17,950 for the corresponding period in 2002. The increase in expenses was largely due to the filing fees paid to regulatory authorities in connection to the financing and mineral option agreements. In addition, the Company moved its principal offices to a new location within Calgary and incurred approximately $150,000 of leasehold improvements and relocation costs.

"Significant increase in mineral assets"



Auditors' report

To the Shareholders of
Cascadia International Resources Inc.

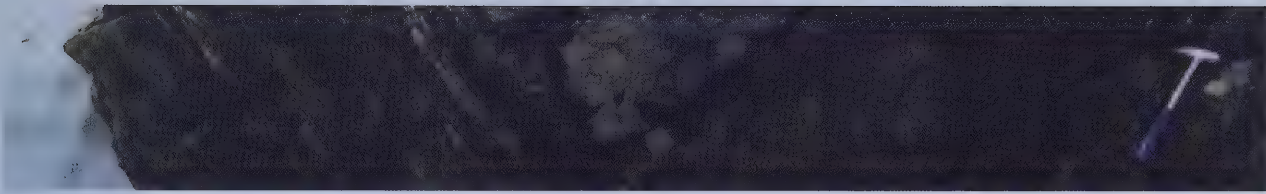
We have audited the balance sheet of Cascadia International Resources Inc. as at July 31, 2003 and the statements of earnings (loss) and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. The comparative figures were audited by another firm of chartered accountants who issued an unqualified opinion in their report dated November 18, 2002.

Meyers Norris Penny LLP

Chartered Accountants
December 3, 2003
Calgary, Alberta



Financial Statements

Balance Sheet

As of July31

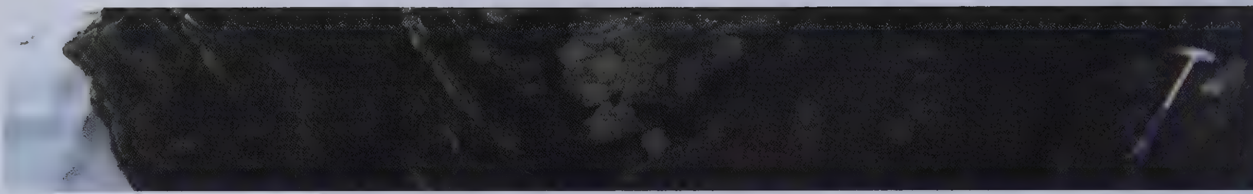
	2003	2002
Assets		
Current		
Cash	396,691	17,528
Marketable securities	300,000	-
Accounts receivable	11,077	11,705
	707,768	29,233
Mineral Properties (Note 3)	**2,534,662**	-
	3,242,430	29,233
Liabilities		
Current		
Accounts payable and accruals	135,843	15,663
Future income tax liability (Note 4)	769,500	-
	905,343	15,663
Shareholders' equity		
Share capital (Note 5)	4,790,159	2,257,035
Deficit	(2,453,072)	(2,243,465)
	2,337,087	13,570
	3,242,430	29,233

Commitments (Note 3 and 8)

Approved on behalf of the Board:

"signed" Director
Jim Evaskevich

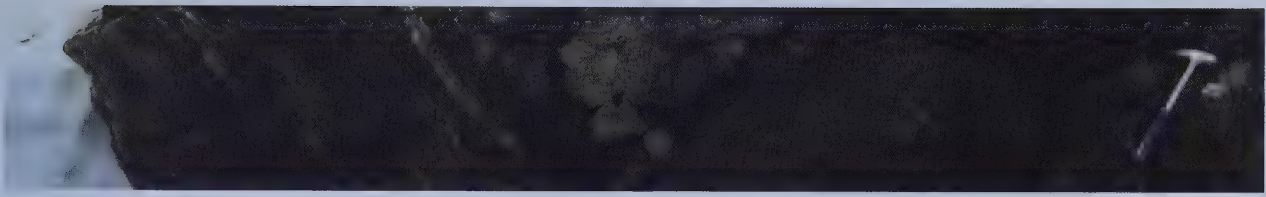
"signed" Director
Gordon Bowerman



Statement of Earnings (Loss) and Deficit

For the year ended July 31

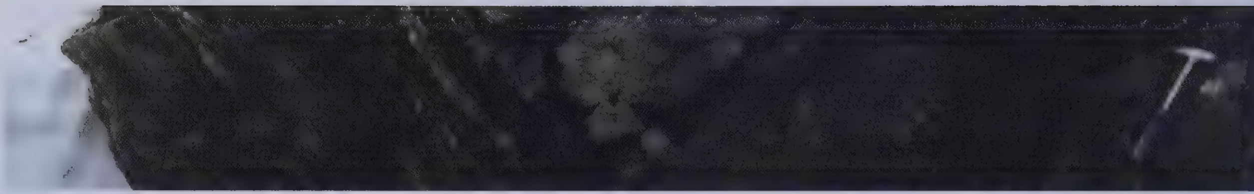
	2003	2002
Interest income	**6,262**	-
Expenses		
Bank charges	241	210
General	6,303	12,717
Investors and shareholders relations	7,394	1,246
Management fees	25,000	30,000
Professional fees	107,510	24,085
Transfer agent and regulatory fees	41,321	12,765
Travel and promotion	28,100	-
	215,869	81,023
Net loss	**(209,607)**	(81,023)
Deficit, beginning of year	**(2,243,465)**	(2,162,442)
Deficit, end of year	**(2,453,072)**	(2,243,465)
Loss per share (Note 6)	**(0.03)**	(0.01)



Statement of Cash Flow

For the year ended July 31

	2003	2002
Cash provided by (used for) the following activities		
Operating		
Net loss	(209,607)	(81,023)
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	628	(11,017)
Increase in prepaid expenses	-	625
Increase (decrease) in accounts payable and accruals	31,529	(65,440)
	(177,450)	(156,855)
Financing		
Increase in share capital	3,166,749	200,000
Finder's fee -		(20,000)
Repayments of short term loan	-	(5,812)
	3,166,749	174,188
Investing		
Purchase of marketable securities	(300,000)	-
Mineral property expenditures	(2,310,136)	-
	(2,610,136)	
Increase in cash	379,163	17,333
Cash, beginning of year	17,528	195
Cash, end of year	**696,691**	17,528



For the year ended July 31, 2003

1. Incorporation, nature and continuance of operations

Cascadia International Resources Inc. (the "Company") was incorporated under the laws of the Province of British Columbia as Craven Resources Inc. on July 18, 1983 and changed its name to Cascadia International Resources Inc. on April 7, 1997. The Company is involved in the acquisition and exploration of mineral properties in Canada.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company has a history of losses and an accumulated deficit of $2,453,072 (2002 - $2,243,465). The ability of the Company to continue operating as a going concern is dependent upon, among other things, its ability to attain profitable operations and generate funds therefrom and to continue to obtain capital financing from investors sufficient to meet current and future obligations.

2. Accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and include the following significant accounting policies:

Marketable securities

Marketable securities are stated at the lower of cost or market value. At year-end, cost was substantially the same as the quoted market value.

Mineral properties

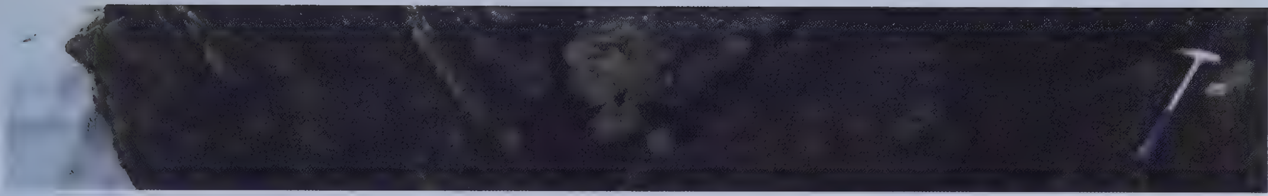
The cost of resource properties and their related exploration costs are deferred until the properties are placed into production, sold or abandoned. These costs will be amortized on a unit-of-production basis following the commencement of production or written off if the properties are sold or abandoned. If the properties are considered to be impaired in value, an appropriate charge will be made at that time.

Costs include the cash consideration and the fair market value of shares issued on the acquisition of mineral properties. Properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The proceeds from options granted are included in the cost of the related property and any excess is applied to income.

The recorded cost of mineral claims and deferred exploration costs represents costs incurred and are not intended to reflect present or future values. The ultimate recovery of such capitalized costs is dependent upon the discovery and development of economic ore reserves or the sale of mineral rights.

Joint venture activities

Substantially all of the Company's mineral exploration and development activities are conducted jointly with others. These financial statements reflect only the Company's proportionate interest in such activities.



Flow-through shares

Share capital includes flow-through shares issued pursuant to certain provisions of the Income Tax Act (Canada) (the "Act"). Under the Act, where the proceeds are used for eligible expenditures, the related income tax deductions may be renounced to subscribers.

Share capital is reduced by an amount equal to the estimated future income taxes payable by the Company as a result of the renunciations and the estimated future income taxes payable are recorded as an increase to the future income tax liability.

Future Income taxes

The Company follows the asset and liability method to account for income taxes. The asset and liability method requires that income taxes reflect the future tax consequences of temporary differences between the carrying amounts of assets or liabilities and their tax basis. Future income tax assets and liabilities are determined for each temporary difference based on enacted rates that are expected to be in effect when the underlying items of income and expenses are expected to be realized.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include the determination of impairment of mineral exploration costs, reclamation obligations and qualifying renouncements. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

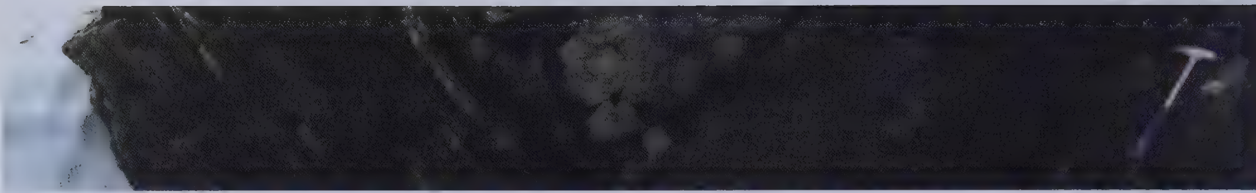
Stock based compensation

Effective January 1, 2002, the Company adopted CICA Handbook 3870 "Stock-based Compensation and Other Stock-based Payments", which establishes standards for the recognition, measurement and disclosure of stock-based compensation made in exchange for goods and services. The new standard sets out a fair-valued based method of accounting that is required for certain, but not all, stock-based transactions.

The new standard permits the Company to continue its existing policy that no compensation cost is recorded, on the grant of stock options to employees. Consideration paid by employees on the exercise of stock options is recorded as shareholders' equity. However, Handbook 3870 requires additional disclosure for options granted to employees, including disclosure of pro forma earnings and pro forma earnings per share as if the fair-value based accounting method had been used to account for employee stock options (Note 5).

3. Mineral properties

	Cost	**Accumulated Depletion**	**July 2003 Net Book Value**	**2002 Net book Value**
Raglan – deferred exploration payments (a)	2,395,875	-	2,395,875	-
Raglan – Thundermin acquisition (b)	88,651	-	88,651	-
McGarry – deferred exploration payments (c)	50,136	-	50,136	-
Total mineral properties	**2,534,662**	**-**	**2,534,662**	**-**



a) Raglan, Ungava Bay Properties in Quebec, Canada

The Company has entered into an Option Agreement ("Agreement") with Novawest Resources Inc. ("Novawest") of Vancouver, Canada, whereby the Company may earn a 50% interest in the Novawest's 660 sq. km. (161,500 acre) Raglan Ni-Cu-PGM-Co Assemblage situated in northern Quebec. (the "Raglan Claims").

Under the Agreement, the Company may earn its 50% interest in the Raglan Claims by paying Novawest $300,000 in cash and 1,500,000 in common shares of the Company over a three-year term as follows:

Cash payment schedule:

i) $50,000 upon execution of the Agreement;
ii) $100,000 on or before February 15, 2004; and
iii) $150,000 on or before February 15, 2005.

Shares payment schedule:

i) 250,000 shares upon execution of the Agreement;
ii) 500,000 shares on or before February 15, 2004; and
iii) 750,000 shares on or before February 15, 2005.

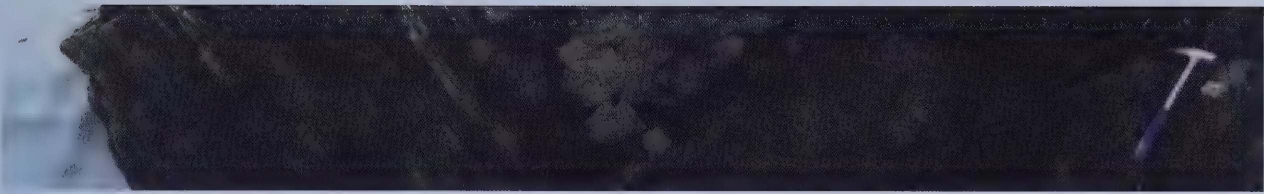
Associated with the completion of the share and cash payments and exploration expenditure advances under the Agreement, the Company will be required to pay a finder's fee, payable as common shares of the Company, in year two and three of the Agreement. This finder's fee is calculated as a percentage of the required exploration commitment and the market value of the common share payment based on the common share closing prices at April 30, 2004 and April 30, 2005. The finder's fee associated with the year one payment was 655,833 common shares (Note 5).

The Company has committed to exploration expenditures of $3.2 million in year one, $4.3 million in year two, and $4.5 million in year three. The Company's interest will vest 25% after meeting the first and second year's combined commitments and a further 25% after meeting the third year's commitments.

As part of an agreement for the Company to arrange a private placement for Novawest, the Company's exploration commitment for year one was reduced by $1 million. The year two commitment of $4.3 million can be reduced by $1.5 million if warrants associated with the private placement are fully exercised.

Under the Agreement, Novawest will be the Operator. A Management Committee will be formed which is made up of five individuals, three from Novawest and two from the Company.

Expenses, such as advance royalties, claim renewal fees, etc. incurred to maintain the 650 sq. km. (155,000 acre) Raglan Claims will be shared equally by both the companies. An agreed area of influence will cover the entire Cape Smith/Raglan Belt extending from Ungava Bay to the east and Hudson Bay to the west. The Company has been provided with the right to accelerate its earn-in, at its discretion, any time within the first two years, as well as an additional acceleration provision whereby the Company may accelerate its 50% earn-in immediately upon paying Novawest all unpaid cash, stock and exportation commitments. This second provision is intended to cover the Company should a third party wish to simultaneously buy-out the interests of both parties.



b) Thunder Project, Raglan, Ungava Bay Property in Quebec, Canada

The Company and Novawest also acquired a 100% interest in the 35-claim Thunder Project situated on the "Main" Raglan Trend just north-northeast of the present Raglan Claims.

The Company's consideration is comprised of $25,000 cash and 129,900 common shares. The full amount of the consideration has been included in accounts payable and accruals including $63,651 which represents the value of the shares issued subsequent to the year-end.

c) McGarry Township Property, Kirkland Lake, Ontario, Canada

The Company and Consolidated PPM Development Corp. ("CPM") have an option agreement pertaining to the 16 mining claims located in McGarry Township (the "Property") east of Kirkland Lake, Ontario. Under the terms of the option agreement, the Company has agreed to spend not less than $500,000 on the Property over a period of forty-eight months. CPM completed Phase 1 drilling program in 2001 and the Company will resume the Phase 2 drilling program and spend not less than $50,000 on exploration.

4. Future income taxes

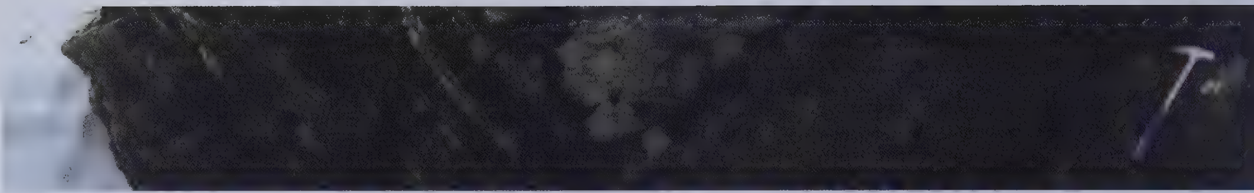
Flow-through share liability	**769,500**
Future income tax assets	
Mineral exploration costs	153,000
Loss carryforwards	338,808
Share insurance costs	4,560
	496,368
Valuation allowance	(496,368)
Future income tax liability	769,500

At July 31, 2003, the Company has available resource tax pools of approximately $835,000 and non-capital loss carryforwards of approximately $891,000, which will expire as follows:

2004	18,200
2005	122,000
2006	158,000
2007	133,000
2008	122,800
2009	123,500
2010	213,500

The income tax expense differs from the amount that would be expected by applying the current tax rates for the following reasons:

Loss before taxes	(209,607)
Expected tax recovery	79,650
Benefit of loss not recognized	(78,130)
Share issue costs	(1,520)



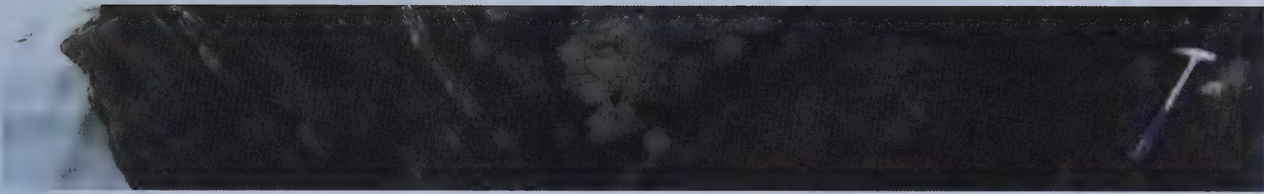
5. Share capital

	Number	Value
Authorized		
Unlimited number of common shares, without nominal or par value		
Unlimited number of non-voting shares, without nominal or par value		
Unlimited number of preferred shares, without nominal or par value		
Issued		
Common shares		
Balance ending, July 31, 2001	**9,116,374**	2,077,035
Consolidation 4:1	**(6,837,280)**	-
Private placement	**2,000,000**	100,000
Private placement	**1,000,000**	100,000
Finder's fee	-	(20,000)
Balance ending, July 31, 2002	**5,279,094**	2,257,035
Consolidation 2:1	**(2,639,547)**	-
Private placement (i)	**2,000,000**	200,000
Private placement (ii)	**7,500,000**	1,125,000
Private placement (iii)	**6,000,000**	1,800,000
Warrants exercised	**1,850,007**	185,000
Agent's commission shares	**150,000**	45,000
Raglan Claims option agreement - 1st payment (Note 3)	**250,000**	37,500
Raglan Claims finders fee agreement - 1st payment (Note 3)	**655,833**	98,375
Share issue costs	-	(188,251)
Effect of future income taxes on flow-through expenditures	-	(769,500)
Balance ending, July 31, 2003	**21,045,387**	4,790,159

On January 8, 2003 the shareholders of the Company approved a share consolidation of 2:1.

(i) This private placement was a non-brokered offering consisting of 2 million units, at a price of $0.10 per unit for gross proceeds of $200,000.Each unit consists of one common share and one non-transferable share purchase warrant for the purchase of one common share of the Company within two years at a price of $0.10 per share. The units were subject to a four-month hold period which expired June 12, 2003.

(ii) This private placement was a non-brokered offering consisting of 7,500,000 units, at a price of $0.15 per unit for gross proceeds of $1,125,000. Of the total units, 2,000,000 consist of one common share and one warrant for the purchase of one additional common share of the Company within one year at $0.21 per share. The balance of 5,500,000 units shall be treated as a flow through investment and consist of one common share and one-half purchase warrant, where two half warrants entitle the holder to purchase one further flow through common share of the Company within one year at the price of $0.21 per share.



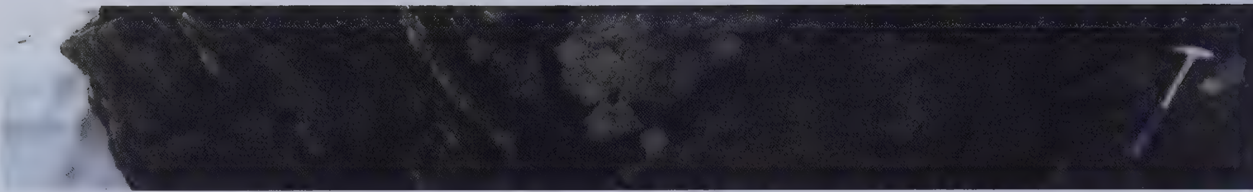
All of the qualifying expenditures relating to this issue will be renounced to the shareholders by December 31, 2003.

(iii) This private placement was a best efforts brokered private placement consisting of 6,000,000 units at a price of $0.30 per unit for gross proceeds of $1,800,000. Of the total units, 2,000,000 consist of one common share and one warrant for the purchase of one further common share of the Company within two years at a price of $0.40 per share. The remaining 4,000,000 units are flow-through units, which convey income tax benefit to the purchasers. Each flow-through unit consists of one common share and one warrant to purchase one further flow-through common share of the Company within two years at a price of $0.40 per share. All of the qualifying expenditures relating to this issue will be renounced to the shareholders by December 31, 2003.

Stock options

The Company has a stock option plan under which the Board of Directors may grant options to directors, officers, other employees and key consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of the Company. The options expire not more than five years from the date of grant, or earlier if the individual ceases to be associated with the Company.

	Number of Options	Price Range ($)	Weighted Average Price ($)	Expiry Date
Balance ending, July 31, 2002	107,500	0.35	0.35	2003
Expired	(107,500)	0.35	0.35	-
Issued	2,069,538	0.30	0.30	2008
Balance ending, July 31, 2003	**2,069,538**	0.30	0.30	2008



The Company uses the Black-Scholes option pricing model to estimate the fair value at the date of grant for options granted. During 2003, 2,069,538 options with a weighted average fair value of $520,000 were granted and valued using the following weighted average assumptions:

Risk free interest rate	**4.75%**
Expected volatility	**120%**
Expected life	**5 years**
Expected dividends	-
Loss attributable to common shareholders – as reported	**(209,607)**
Stock-based compensation expense	**(520,000)**
Loss attributable to common shareholders – pro forma	**(729,607)**
Loss per share – as reported	**(0.03)**
Loss per share – pro forma	**(0.12)**

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Change in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Warrants

In relation to private placements, the Company has the following warrants outstanding:

	Number of Warrants	Price Range ($)	Weighted Average Price ($)	Expiry Date
Balance ending, July 31, 2002	3,000,000	0.10	0.10	2003 – 2004
Consolidation 2:1	(1,500,000)	0.10	0.10	
Issued	14,100,000	0.10 – 0.40	0.28	2004 – 2005
Exercised	(1,850,000)	0.10	0.10	
July 31, 2003 outstanding	**13,750,000**	0.10 – 0.40	0.26	2004 – 2005

On January 8, 2003 the shareholders of the Company approved a share consolidation of 2:1.

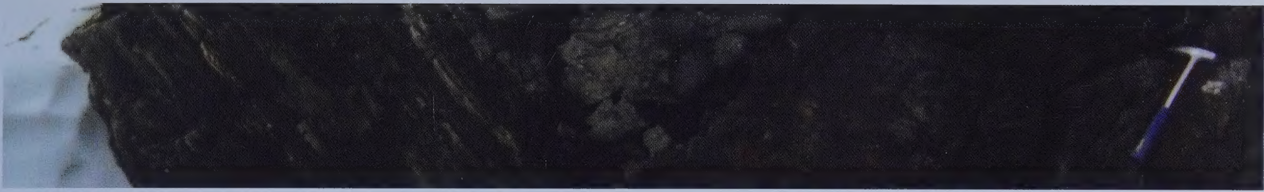
6. Per share amounts

Basic loss per share is calculated using the weighted average number of shares outstanding for the year. For purposes of the calculations, the weighted average number of shares outstanding was 6,319,697.

Diluted per common share amounts have not been presented, as any effect is antidilutive.

7. Financial instruments

The Company, as part of its operations, carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, credit or currency risks arising from these financial instruments.



Fair value of financial instruments

The fair value of cash, marketable securities, accounts receivable, accounts payable and accruals approximates their carrying value due to the short-term maturities of these financial instruments.

8. Related party transactions

During the year, the Company had the following transactions with related parties:

a) Pursuant to a management contract, the Company paid fees of $25,000 to a company related to a director of the Company. The contract can be terminated by either of the parties by giving three months' notice in writing.

b) The Company pays $500 per month to the above company for office services.

The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Subsequent Events

On September 19, 2003 the Company announced that it had closed its previously announced offering for gross proceeds of $2,000,000 pursuant to a short form offering document ("SFOD"). Under the SFOD, the Company, through its agent, First Associates Investments Inc. ("FAII"), offered 4,000,000 units at a price of $0.50 per unit. Each unit consisted of one common share, issued on a "flow through" basis under the Income Tax Act (Canada) and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one additional common share at a price of $0.60 per share until September 18, 2005.

In October, the Company optioned a 290 claim unit property located 60 miles north of Armstrong, Ontario that covers 10 miles (16 km) of a greenstone belt containing numerous copper nickel-cobalt showings. The property is presently held 100% by East West Resource Corp. ("East West") subject to a 3% NSR to the original prospector vendors. Under the terms of the option agreement, the Company has agreed to spend a minimum of $100,000 drilling this winter and may earn a 51% interest in the property by spending $1.0 million by November 1, 2010. A 60% interest may be earned by completing a feasibility study by November 1, 2011 in accordance with the standards of the Toronto Stock Exchange, and may earn a 70% interest by financing the property to production. Option payments to East West totalling $95,000 over 7 years in staged payments are to be made as well as payments to the underlying prospector vendors.

In October, 2003 the Company optioned a 164 and 152 claim unit group in the Norton Lake area, Thunder Bay from East West and Canadian Golden Dragon Resources Ltd. The Company may earn a 51% interest in both claim groups by spending $1.5 million by November 1, 2010 and may earn a 60% interest by completing a feasibility study to the standards of the TSX and may obtain a 70% interest by financing the property to production. Option payments are to be made in stages, totalling $150,000 over 7 years. A $150,000 drill program is planned for January 2004 to March 2004.

10. Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

Corporate Information

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JAMES G. EVASKEVICH,
PRESIDENT, CEO & DIRECTOR

SIMON TAM, DIRECTOR

WAYNE WATERS, DIRECTOR

GORDON BOWERMAN, DIRECTOR

JOHN AIHOSHI,
CHIEF FINANCIAL OFFICER

DOUGLAS STUVE,
CORPORATE SECRETARY

ROBERT MIDDLETON,
VICE PRESIDENT EXPLORATION

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